

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)	
COMPANY FOR: (1) A GENERAL)	
ADJUSTMENT OF ITS RATES FOR)	
ELECTRIC SERVICE; (2) AN ORDER)	
APPROVING ITS 2014 ENVIRONMENTAL)	CASE NO.
COMPLIANCE PLAN; (3) AN ORDER)	2014-00396
APPROVING ITS TARIFFS AND RIDERS;)	
AND (4) AN ORDER GRANTING ALL OTHER)	
REQUIRED APPROVALS AND RELIEF)	

COMMISSION STAFF'S REQUEST FOR INFORMATION
TO THE ATTORNEY GENERAL OF THE COMMONWEALTH OF KENTUCKY

The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), pursuant to 807 KAR 5:001, is to file with the Commission the original and three copies in paper medium and an electronic version of the following information. The information requested herein is due no later than April 20, 2015. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

The AG shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which the AG fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, the AG shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the response so that personal information cannot be read.

1. State whether the AG has a position with regard to the level of the proposed residential monthly service charge.

2. State whether the AG has a position with regard to the proposed NERC Compliance and Cybersecurity Rider.

3. Refer to the Direct Testimony of Ralph C. Smith ("Smith Testimony"), pages 34-36, and to the Excel spreadsheet provided in Kentucky Power Company's ("Kentucky Power") Response to the AG's Second Set of Data Requests, Item 112. Provide a table indicating which commercial and industrial expansions, reductions, and closures are included in the net monthly revenues of \$88,636 referenced on page 35 of the Smith Testimony.

4. Refer to the Smith Testimony, page 51, regarding the AG's proposed adjustment to Kentucky Power's incentive compensation. Explain the basis for the proposed 75 percent reduction in incentive compensation and provide any information relied upon in determining the proposed amount of incentive compensation.

5. Refer to the Smith Testimony, page 56, regarding PJM Interconnection, Inc. ("PJM") charges and credits. State whether the AG believes the PJM charges should not be annualized, whether or not such charges are recovered through base rates or a rider.

6. Refer to the Smith Testimony, page 62. State whether the AG recommends any revision to Kentucky Power's proposed Big Sandy Retirement Rider ("BSRR") tariff with regard to the recovery of actual costs only.

7. Refer to the Smith Testimony, pages 64-67. Confirm that the AG has no objection to the proposed Big Sandy 1 Operation Rider tariff with the exception of Kentucky Power's inclusion of PJM charges in Big Sandy Unit 1 non-fuel O&M expenses.

8. Refer to the Testimony of Dr. J. Randall Woolridge. Several of the electric companies in the proxy group shown in Exhibit JRW-10 have negative DCF equity cost growth rate measures. Explain why it is valid to include negative growth rates in the analysis.

9. Refer to the Direct Testimony of Lane Kollen, on behalf of Kentucky Industrial Utility Customers, Inc. ("KIUC"), pages 53-61, regarding Kentucky Power's proposed BSRR tariff. Identify and explain any differences in the determination of the

revenue requirement for the BSRR by KIUC and by the AG, and state with which items the AG is in agreement in the determination of the revenue requirement.



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DATED APR 06 2015

cc: Parties of Record

Case No. 2014-00396

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